

Exhibit 20

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Washington Mutual to close 190 offices

It will shut 12 Bay Area home loan centers, expects to lose \$1 billion in 1st quarter of '08

CHRONICLE STAFF AND NEWS SERVICES

Washington Mutual Inc., the nation's largest savings and loan, said Monday that problems in the mortgage and credit markets are forcing it to close offices, lay off more than 3,000 workers and set aside up to \$1.6 billion for loan losses in its fourth quarter.

Additionally, the company

slashed its quarterly dividend 73 percent and said it plans a \$2.5 billion offering of convertible preferred stock. Washington Mutual has not yet priced the offering, but increasing the total number of company shares will dilute their value for existing stockholders. In after-hours trading, shares fell \$1.73, or nearly 9 percent, to \$18.15 following the company's announcement.

Chairman Kerry Killinger said in a statement that "significant expense reductions" were needed "to further fortify" the bank's capital and liquidity.

The Seattle thrift dismantled much of its subprime mortgage business in September, cutting 1,000 jobs related to the sale of home loans to people with questionable credit. It folded the remaining subprime operations into its regular mortgage business.

The savings and loan will now get out of the subprime mortgage business entirely.

► **THRIFT:** Page B2



"Significant expense reductions (are needed) to further fortify" the thrift's capital and liquidity.

KERRY KILLINGER
Washington Mutual chairman

Washington Mutual will lay off more than 3,000

► THRIFT

From Page B1

The company said it will close about 190 of its 335 home loan centers and sales offices, shut down nine call centers, and eliminate 2,600 home loan workers and 550 corporate and support jobs.

Locally, Washington Mutual spokeswoman Elizabeth Borrelli said 110 jobs would be eliminated with the closure of a retail home loan fulfillment center in Pleasanton. Another 20 jobs will be cut in San Francisco. Elsewhere in California, Washington Mutual will close home-loan-related offices in Downey (Los Angeles County), 35 jobs; Irwindale (Los Angeles County), 35 jobs; and Irvine, 230 jobs.

Spokesman Gary Kirshner said Washington Mutual will also shutter 31 home loan centers in Northern California. These will include 12 Bay Area locations: two each in San Francisco and San Jose, plus one center each in Dublin, Lafayette, Los Altos, Oakland, Pleasant Hill, San Bruno, San Rafael and Saratoga.

These changes, meant to ad-

For the first quarter of 2008, Washington Mutual said it expects loan losses to total \$1.8 billion to \$2 billion.

dress what the company called "unprecedented challenges in the mortgage and credit markets," will save the thrift \$140 million in the fourth quarter. But the company still expects to post a loss, due in part to a \$1.6 billion charge for the write-down of goodwill associated with the shrinking home loans business.

On top of that, Washington Mutual increased its loan loss provision to \$1.5 billion to \$1.6 billion for the fourth quarter, from the \$1.1 billion to \$1.3 billion predicted by executives in early November.

For the first quarter of 2008, the company said it expects loan losses to total \$1.8 billion to \$2 billion. Loan losses will remain high throughout the year, the thrift added.

The company also slashed its quarterly dividend to 15 cents per share from its most recent dividend of 56 cents per share, for savings of more than \$1 billion.

Moody's Investors Service downgraded several long-term and short-term ratings for the company and said in a statement that the move "was based on its view that credit losses from Wa-Mu's mortgage operations will be noticeably higher than previously estimated." The credit rating agency said it doesn't expect the company's profitability to begin to recover until 2010.

Fitch Ratings also downgraded the thrift's credit ratings.

Before the news, shares rose about 85 cents, or more than 4 percent, to close at \$19.88 Monday.

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Mortgage Employment News

Job additions, layoffs and employment lawsuits. Employment data from the Department of Labor, state tracking, reports and analysis. Job finding tips.

Massive Mortgage Job Decline

428,300 August employment count

October 5, 2007

By *MortgageDaily.com* staff

Mortgage jobs are down by more than 70,000 from a year ago, according to government data released today. But the number of mortgage brokers actually increased from the prior month.

People working in real estate finance positions numbered 428,300 during August, according to a report from the Bureau of Labor Statistics. Mortgage jobs were down by 27,200 from July and tumbled 72,000 from August 2006.

Jobs by industry are reported on a one-month lag.

Impacting August's figures were 300 eliminated positions at both Delta Financial Corp. and National City Corp.; 350 lost jobs at Impac Mortgage Holdings Inc.; 351 layoffs at 1st National Bank Holding Co.; over 500 layoffs at Countrywide Financial Corp.; 550 layoffs at CIT Group Inc.; 640 layoffs at First NLC Financial Services; 1,200 employees let go from BNC Mortgage LLC; 1,500 people at Aegis Mortgage Corp. which closed; around 1,600 layoffs at Accredited Home Lenders Holding Co.; 1,900 job losses when GreenPoint Mortgage shut down; 5,500 employees who became unemployed when First Magnus Financial Corp. collapsed; and 6,000 lost jobs from the collapse of American Home Mortgage Investment Corp.

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Accounting for all of August's decline were people employed in "real estate credit," which fell to 294,600 from 323,000 the prior month, according to the report.

"Mortgage and nonmortgage loan brokers" actually increased to 133,700 from 132,500 in July, the bureau, a division of the Department of Labor, reported. The increase likely reflects a migration from the ranks of unemployed mortgage executives to mortgage brokers -- a common career move after being laid off from a mortgage company.

Unemployment, reported shortly after the end of each month, was 4.7 percent during September, unchanged from August, the report said.

Likely to impact September's numbers are 110 layoffs at ResMAE Mortgage Corp., 144 job cuts at Impac Mortgage Holdings Inc., layoffs at First Franklin Financial Corp., the elimination of 1,000 positions at Washington Mutual, 1,500 layoffs at First Horizon Home Loans, 575 more job cuts at Option One Mortgage Corp., 57 Lennar Corp. layoffs, Countrywide Financial Corp.'s warning it will lay off as many as 12,000 this year, 1,000 planned job cuts at IndyMac Bancorp Inc., 1,000 announced layoffs at National City Corp., the elimination of 850 positions at Lehman Brothers and NovaStar Financial Inc.'s reorganization resulting in 275 layoffs.

In addition, next month's report will also reflect the collapse of Aapex Mortgage Corp., the bankruptcy of Personal Financial Management, Nationstar Mortgage LLC's closing of its wholesale operations, HSBC Finance Corp.'s winding down of its Decision One Mortgage subsidiary, the failure of Expanded Mortgage Credit, E*TRADE Financial Corp.'s exit from wholesale lending, the closing of Colony Mortgage Corp., the collapse of CFIC Home Mortgage and LownHome Financial's failure.

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Corporate Mortgage News

Mortgage mergers, acquisitions and other corporate activity including executive appointments, bankruptcies and public offerings.

Mortgage Industry Earnings Tank

Recent earnings activity

October 26, 2007

By **[COCO SALAZAR](#)**



Countrywide Financial Corp. announced its quarterly earnings worsened by \$1.7 billion from the prior quarter and by nearly \$3.0 billion from a year earlier. But an improved fourth quarter outlook sent shares soaring by nearly a third. Meanwhile, several other companies reported hundreds of millions of dollars in combined mortgage-related losses.

Capstead Mortgage Corp. reported a loss of \$3.1 million for the quarter ended Sept. 30, compared to earnings of \$5.8 million in the linked quarter. The primary driver of these results was an \$8.2 million charge from selling its lower-yielding, faster prepaying agency-guaranteed securities.

Japan's Nomura Financial Holdings Inc. yesterday announced the months of July through September generated a net loss of \$91 million due to the company's exit from the U.S. residential mortgage-backed securities business, a restructuring charge related the company's focus on U.S. core businesses, and unrealized loss on investments in equity securities held for operating purposes.

Third quarter negative earnings of nearly \$215 million were announced by Friedman, Billings, Ramsey Group Inc., with the principal driver being \$90 million in write downs and

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<u>mortgage rates</u>	losses related to the on-balance sheet securitized loan portfolio, which reduces the company's economic risk in the portfolio to nil. Other factors cited for the quarterly loss were a \$67 million net loss from MBS portfolio and operations, including a \$57 million loss on the sale of \$5 billion in agency MBS; a \$17 million charge related to restructuring and operating costs at First NLC Financial Services, which will be acquired by a Sun Capital Partners affiliate; and a \$27 million valuation loss relating to the portfolio of conforming and non-conforming loans originated by First NLC that Friedman took ownership of under the Sun Capital sale agreement.
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<u>mortgage sales</u>	
<u>mortgage brokers</u>	
<u>mortgage servicing</u>	Earlier this week, <u>Countrywide Financial Corp.</u> announced former Housing and Urban Development Secretary Henry Cisneros resigned from its board of directors, which he'd been part of since 2001. The Calabasas, Calif.-based lender emphasized that the departure of Cisneros, who is chairman of homebuilder lender CityView, was unrelated to its operations, policies or practices, according to a Form 8-K filing with the Securities and Exchange Commission.
<u>originator tools</u>	
<u>mortgage books</u>	
<u>secondary marketing</u>	
<u>mortgage technology</u>	
<u>mortgage education</u>	"I need to focus my time and energies on putting CityView in the best position to adjust to the demands of the period ahead," Cisneros said in an Wednesday's announcement, adding that he had "unwavering" respect for Countrywide.
<u>mortgage REITs</u>	
<u>credit</u>	
<u>mortgage associations</u>	Countrywide reported today its first quarterly net loss in 25 years. Third quarter earnings were a loss of \$1.2 billion -- nearly a \$1.7 billion swing from its second quarter profit. The loss included a \$934 million provision for loan losses, an \$831 million write-down in the value of mortgage servicing rights, a \$717 million charge on impairment of retained interests, a \$719 million loss on gain on sale of loans and securities, and a \$57 restructuring charge for previously announced layoffs of up to 12,000 people this year.
<u>mortgage politics</u>	
<u>mortgage insurance</u>	
<u>appraisal news</u>	
<u>commercial mortgage news</u>	
<u>archives</u>	Countrywide Chairman and Chief Executive Angelo R. Mozilo noted in the announcement that, during the period, the company laid the foundation to return to profitability in the fourth quarter. He cited an improved liquidity and capital position, tighter underwriting and improved access to capital through Countrywide Bank.
SUBSCRIBERS ONLY:	
<u>market snapshot</u>	
<u>bond commentary</u>	"Over the longer term, we believe that prospects for the U.S. housing and mortgage markets, as well as for Countrywide, remain very attractive," said David Sambol, president and chief operating officer, said in the announcement.
<u>ARM index table</u>	
<u>FHA resources</u>	
<u>foreclosure resources</u>	Word of the improved outlook sent shares of the Calabasas,

Calif.-based lending giant soaring 32 percent today to \$17.30.

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Following the release of the third quarter results, Fitch Ratings said it had anticipated "extreme pressure" on Countrywide's near-term operating performance when the company was downgraded on Aug. 16. Thereby, Fitch maintained Countrywide's BBB+ long-term Issuer Default Rating on Rating Watch Evolving, which could result in better, worse or affirmed ratings.

"Fitch views [Countrywide's] considerable material mark-to-market adjustments and additional provisioning as harsh, but necessary to compete in what could be a challenging road to recovery," the ratings agency said in an announcement.

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PRESS RELEASE

Mortgage Jobs Wiped Out from MortgageDaily.com

DALLAS -- (August 6, 2007) Driven by a rapid contraction in nonprime lending, the number of mortgage jobs sank during the latest reported month and is headed lower, according to <http://www.MortgageDaily.com> -- the dominant source of online news for the mortgage industry.

People working in mortgage-related jobs totaled 458,800 in June -- falling from a peak of 507,000 in October, according to data released from the U.S. Department of Labor Friday.

Impacting June's mortgage employment numbers were layoffs at Washington Mutual Inc., BNC Mortgage LLC and GreenPoint Mortgage.

Upcoming government data is likely to reflect further declines, with last week's massive layoffs at Alt-A lender American Home Mortgage Investment Corp., which cut more than 6,000 jobs Friday.

And activity at subprime lenders will also help fuel more declines.

First NLC Financial Services closed 23 retail branches and cut 640 jobs, a company executive told MortgageDaily.com. Accredited Home Lenders Holding Co.'s 4,200 employees

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mortgage rates could be unemployed if a deal to acquire that company collapses. And Fieldstone Mortgage Co. told its 900 employees Wednesday that it would halt new business as it grapples with the potential insolvency of its parent -- Credit-Based Asset Servicing and Securitization LLC, or C-BASS.

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The latest round of consolidation was prompted by the evaporation of the secondary market for subprime and Alt-A business. With investor appetite for any risky mortgage-backed debt gone, companies including IndyMac Bank FSB, SunTrust Mortgage Inc, National City Mortgage and Wells Fargo Home Mortgage have cut back or curtailed offerings for Alt-A borrowers -- people with good credit who lack the ability to verify their income, their assets or both.

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The deteriorating secondary market has nonprime originators eyeing more conforming mortgage business that can be bought by Fannie Mae and Freddie Mac. The two government-sponsored enterprises provide liquidity to the mortgage markets during times of turmoil, as is the case currently.

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Read complete mortgage employment news at:
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Subprime Shakeout

Lenders that Have Closed Shop, Been Acquired or Stopped Loans

More than 80 mostly subprime mortgage lenders -- those that make home loans to the riskiest borrowers with questionable credit -- have closed shop since the end of last year as clients defaulted on payments and banks cut off the funding required to make the loans. The trend accelerated early this year, and by the spring it seemed companies both large and small were stopping new loan activity, closing shop, declaring bankruptcy or being sold off every other day or two. Though California suffered most of the casualties, with some 25 lenders going under, no region of the country was untouched. Here's a table of the damage so far, which can be sorted by date, company name, home state, size based on loan volume or the lender's fate. Please note that scope of the table has been expanded to include some companies that are still in business, but have at least temporarily restricted loan activity.

— Compiled by Worth Civils and Mark Gongloff

Click on the category names to sort the columns.

Date Announced ↑	Company Name	Home State	Loans Originated (bil. of \$, 2005)	Outcome	Comment
09/23/07	HSBC Holdings	U.K.	N/A	Closed Unit	The bank said it will close Decision One Mortgage, a big middleman in the subprime industry, with operations in South Carolina, Arizona and North Carolina. HSBC, including Decision One, was the third-largest U.S. subprime originator in the first half of 2007 with \$12.3 billion in volume, according to trade publication Inside Mortgage Finance. Of that, at least \$3 billion was attributable to Decision One.
09/21/07	Nationstar Mortgage	Texas	N/A	Sold	Dallas-based Nationstar, formerly Centex Home Equity, in which Fortress Investment Group has a stake, decided to stop accepting new loan applications from brokers.
09/17/07	E*Trade Financial	New York	N/A	Closed Unit	While most people associate E*Trade with online trading, the mortgage business has been a big driver of the company's

earnings growth over the past few years. E*Trade said it plans to get out of the business of buying mortgages from outside vendors and has set aside \$245 million, up from \$70 million, to cover related losses over the next four quarters.

09/10/07	Victoria Mortgages	U.K.	N/A	Bankrupt	The British subprime specialist said it had gone into administration and was no longer funding new loans after its costs escalated. Backed by U.S. venture capital group Venturion Capital, Victoria was launched in May 2005, offering a range of products from self-certified mortgages for "prime" borrowers to mortgages for borrowers with "heavy adverse" credit.
08/22/07	Amstar Mortgage Corp.	Texas	N/A	Closed	The unit of Houston's Amstar Financial Holdings Inc. said it would shut down by about Dec. 15, citing difficult market conditions, and turn over control of its 118-branch network to The Money Store of Florham Park, New Jersey. Amstar made about \$1.5 billion of mortgage loans in the year ended Sept. 30, 2006.
08/22/07	Quality Home Loans	California	N/A	Bankrupt	The Agoura Hills subprime lender listed between \$1,000,001 and \$100 million of assets, more than \$100 million of liabilities, and between 1,000 and 5,000 creditors.
08/22/07	Delta Financial Corp.	New York	3.8	Job cuts	The Woodbury subprime lender reduced its work force by 20%, or 300 jobs, to "align its operations with the current market conditions."
08/22/07	Lehman Brothers Holdings	New York	N/A	Closed	Citing market conditions, Lehman Brothers closed BNC Mortgage, an Irvine, Calif., lender, which it purchased in 2004.

The shutdown affected about 1200 employees. BNC was a top-20 subprime mortgage lender in 2006, originating more than \$14 billion worth of home loans, according to industry publication Inside B&C Lending. Two weeks later, Lehman announced another round of restructuring in its lending business, resulting in another 850 job cuts.

08/20/07	GreenPoint	New York	N/A	Closed	This unit of Capital One Financial Corp. specialized in "jumbo" and Alt-A loans. Capital One bought GreenPoint just last year as part of its purchase of North Fork Bancorp, but said the unit the unit could no longer "weather the challenges currently facing the mortgage industry."
08/16/07	First Magnus Financial	Arizona	N/A	Bankrupt	The Tucson lender, reportedly the second-biggest privately held lender in the U.S., stopped funding new mortgages, citing the collapse of the secondary mortgage market. On Aug. 21, filed for Chapter 11 bankruptcy protection.
08/14/07	Thornburg Mortgage	New Mexico	N/A	Stopped locking rates	The Santa Fe REIT, which originates "jumbo" loans, stopped locking in rates on mortgages, citing "unprecedented and irrational sentiment" in the credit market. Moody's downgraded its credit, and several analysts downgraded its stock. Thornburg delayed its dividend payment after getting margin calls and finding it more difficult to fund its assets in the commercial-paper and asset-backed securities markets. It cut the book value of its mortgage assets by 26%. A week later, it sold \$20.5 billion in top-rated mortgage-backed securities to pay down short-term

					borrowings, resulting in a third-quarter capital loss of about \$930 million.
08/07/07	HomeBanc Corp.	Georgia	6.4	Stopped loans	The Atlanta-based lender shuttered operations because its funding has dried up. It said it can't borrow on its credit facilities and was unable to fund its mortgage-loan fund obligations beginning Aug. 6. Countrywide Financial said it would buy part of HomeBanc's retail-mortgage operations.
08/07/07	Impac Mortgage Holdings Inc.	California	3.3	Stopped funding loans	Irvine-based Impac, which also acquired about \$19.5 billion in mortgages in 2005 and another \$8.55 billion in 2006, said it has stopped funding Alt-A mortgages, but has met all margin calls so far. It also has negotiated the sale of \$1 billion of mortgages it held using borrowed money. Its shares fell 28% on the news. It has since cut costs by reducing staff and closing some operations.
08/06/07	National City Home Equity	Ohio	N/A	Stopped loans; job cuts	The wholesale home equity lending unit of National City Corp. said it had suspended approvals of new home equity loans and lines of credit, citing market conditions. A week later, it said it would merge its mortgage and home-equity lending businesses, resulting in job cuts. On Sep. 6, it said it would eliminate 1,300 positions and take as much as \$200 million in pretax charges in the third quarter related to scaling back its mortgage-banking business.
08/06/07	American Home Mortgage Investment	New York	45.3	Bankrupt	The Melville, N.Y.-based lender saw its shares lose most of their value last week, and laid off 6,500 employees, leaving 1,000. It will no longer take loan applications; the company seeks to maintain its thrift and

servicing businesses.

08/06/07	Aegis Mortgage Corp.	Texas	N/A	Bankrupt	The Houston-based lender, one of the top 30 in the country, suspended originations and notified mortgage brokers that it is unable to provide funds for loans already in the pipeline. Filed Chapt. 11 on Aug. 13.
08/04/07	NovaStar Financial Inc.	Missouri	9.3	Stopped loans	The Kansas City lender suspended approval and funding of loans offered through brokers due to "severe dislocation" in the market. On Aug. 6, it said it would resume making subprime loans through brokers. But it also said it was considering "strategic alternatives," tightened its underwriting guidelines, raised interest rates on loans, changed the types of products it offers and cut 37% of its work force. On Sep. 17, it announced it wasn't going to declare a dividend related to 2006 taxable income, which caused the company to lose its REIT, or real-estate-investment trust, status. On Oct. 16, it agreed to sell its mortgage servicing rights and advances related to Saxon Mortgage Services Inc. for about \$175 million to reduce debt.
07/26/07	Wells Fargo & Co.	California	N/A	Stopped loans	The San Francisco bank, the nation's second-largest home lender, said it will stop making subprime mortgages through brokers. Subprime "wholesale lending" accounted for just 1.6% of Wells Fargo's total home-mortgage originations of \$397.6 billion last year, but profits were shrinking.
07/25/07	Countrywide Financial	California	491	Liquidity problems	The Calabasas lender, the largest in the U.S. with 17% of the \$2.9 trillion home-loan market in 2005, reported a 33% drop in second-quarter 2007 net income and

slashed its earnings forecast. Announced Aug. 9 that "unprecedented disruptions" in debt and mortgage-finance markets could hurt its financial condition. Merrill Lynch on Aug. 15 downgraded the stock to "sell," warning bankruptcy was possible. Countrywide later tapped an \$11.5 billion line of credit and had its banking arm provide a greater share of funding for its loans. Bank of America made a \$2 billion equity investment in Countrywide, offering it a dose of security. On Oct. 18, The Wall Street Journal reported that the SEC had begun an informal probe of CEO Angelo Mozilo's stock sales.

07/18/07	CIT Group	New York	N/A	Closed Unit	CIT said it would exit the home-lending business after the unit produced \$14.6 million in operating losses during the second quarter, contributing to the company's quarterly loss. The conglomerate said it would take a pre-tax charge of \$765 million relating to a fair value adjustment on \$10.6 billion in receivables to assets held for sale related to exiting the business.
07/16/07	Alliance Bancorp	California	N/A	Bankrupt	The Brisbane lender, a unit of ARH Mortgage Inc., filed for Chapt. 7 bankruptcy protection and plans to liquidate its assets. It specialized in lending to Alt-A borrowers.
06/29/07	Heartwell Mortgage Corp.	Michigan	N/A	Closed	This longtime Grand Rapids lender, founded by the town's mayor in 1970, closed its retail and wholesale operations. The company will continue to manage its mortgage portfolio.
06/18/07	The Mortgage Warehouse	Florida	0.3	Closed	This Clearwater-based company started operations in 1997 but has now ceased lending operations. It

employed about 50 people and originated roughly \$250 million in loans per year. Firms with similar names are still operating in the states of New York and Washington.

06/15/07	First Street Financial Inc.	California	N/A	Closed	This mortgage wholesaler, based in Irvine, was a top-40-ranked subprime lender based on fourth-quarter data, when it originated nearly \$175 million in loans. First Street closed its doors and transferred all its servicing to a third-party company believed to be Option One.
06/08/07	Oak Street Mortgage LLC	Indiana	N/A	Bankrupt/Sold	Oak Street, which was founded in 1999 by former Bank One executive Steve Alonso and became a high-flier with \$2 billion in loan volume and poised to go public with 700 employees at its peak, filed for Chapter 11 bankruptcy protection. In December, it sold most of its assets to Novastar Financial.
06/03/07	Accredited Home Lenders Holding Co.	California	16.6	Stopped loans	Accredited was viewed as one of the stronger independent lenders because of its relatively prudent underwriting policies, but its shares plummeted in March. It agreed in June to be acquired by Lone Star Fund for \$400 million. In August, Lone Star said it might pull out of the deal, blaming "the drastic deterioration in the financial and operational condition" of the lender. Accredited sued to hold Lone Star to the deal. On Aug. 21 it said it would trade \$1 billion in home loans to an investor in exchange for the right to buy them back later at a premium. On Aug. 22, Accredited said it was no longer accepting new U.S. loan applications and would cut more than

					half its work force.
06/01/07	Lancaster Mortgage Bankers LLC	New Jersey	N/A	Closed	This New Jersey lender that offered expanded criteria programs and specialized in Alt-A and no-documentation loan programs, recently abandoned its mortgage broker business. Lancaster had operations in 16 states.
06/01/07	No Red Tape Mortgage	California	3	Closed	No Red Tape, which had announced plans to double its staff last year, is winding down operations, which had been a jumbo specialist but expanded into the Alt-A and Alt-B businesses. A high rate of delinquencies in those markets triggered the decision to abandon the business.
05/25/07	The Lending Group Inc.	Florida	0.4	Closed	One of Florida's fastest growing companies, with 300% growth, the Jacksonville wholesaler ran out of funding and suspended operations.
05/21/07	NetBank Funding Services*	South Carolina	13.2	Stopped loans	This third-party origination portion of NetBank stopped accepting new business and is expected to be closed within 60 days. The shutdown comes along with NetBank's sale of its loan portfolio and depository assets, totalling around \$2.5 billion, to EverBank. Earlier this year, NetBank, which is struggling to stay afloat as shares tumble, acquired reverse mortgage lender BNY Mortgage Co. and apartment lender Apartment Lending Group.
05/17/07	Columbia Home Loans LLC	New York	0.7	Closed	The unit's operations were discontinued by its New Jersey parent, OceanFirst Financial, which acquired it in 2000, citing significant operating losses in the last two quarters from subprime mortgage loan originations.

Columbia's president, Robert Pades, who had been with the company since the 1980s, resigned after defaults were hidden from top management at OceanFirst. Talks in late April to sell the company failed.

05/09/07	Republic Mortgage LLC	Nevada	1.1	Sold	First Horizon Home Loans, which closed its wholesale subprime unit, bought this Las Vegas retail and prime-focused lender, which was founded in 1988. Financial terms were not disclosed.
05/07/07	Homeland Capital Group	North Carolina	N/A	Closed	This second lien wholesaler that was shuttered in May is a wholly owned subsidiary of First Greensboro Home Equity. It acquired Mortgage Consultants of Columbia, Md., and changed its name to Homeland Capital Group in 2002, becoming the vehicle used to launch the company's wholesale mortgage platform.
05/07/07	Opteum Financial Services	New Jersey	6.5	Closed/Sold	Florida-based parent REIT Opteum Inc. shuttered wholesale and correspondent businesses, based in New Jersey, citing un dependable secondary market, and sold its retail operations to Prospect Mortgage Company for \$5 million, plus certain lease assumptions and liabilities. Opteum itself was acquired in 2005 for about \$80 million by Bimini Mortgage Management, which took its name. Late last year, it sold a 7.5% stake to Citi.
05/03/07	First Consolidated Mortgage	Texas	N/A	Closed	Dallas-based subprime wholesaler, founded in 1994 and with business in 25 states, shut down operations, but is still operating a direct business.
05/02/07	Nation One Mortgage	Massachusetts	N/A	Stopped loans	This mid-sized East-coast wholesale lender, based in

					Norwell, Mass. since 1989, stopped funding mortgages in May, although its Web site is still operational.
04/30/07	Dana Capital Group	California	5	Closed	Founded in 1995 by real estate industry veteran Dana Smith, this is yet another Irvine firm that closed its wholesale lending business due to large fines aimed at loan originations. State officials have begun license-revocation proceedings against Dana in Massachusetts, where it has ceased operations; it also faces allegations in New Jersey of charging improper fees.
04/26/07	First Horizon Home Loan	Texas	1.6	Closed Unit	This subsidiary of Memphis-based First Horizon National closed its wholesale subprime unit only.
04/26/07	Reverse Mortgage of America	Washington State	N/A	Sold	Bank of America acquired this firm, which is a division of Seattle Mortgage Co., to step up its reverse mortgage position. The acquisition will make BofA the third-largest player, trailing Financial Freedom, a subsidiary of IndyMac, and Wells Fargo. A reverse mortgage is a loan aimed at senior citizens that is taken out against a home's equity; borrowers receive the dollar-value of their property via an untaxed lump sum or monthly amount.
04/26/07	All Fund Mortgage	Washington State	1.4	Sold	Tacoma-based All Fund, which also operates as All Fund Inc. and Amerifund Financial, was acquired by CMXL, a Sacramento commercial real estate financing firm, and will be held as a sister company. All Fund has 230 retail offices and over 2,500 loan officers in throughout 46 states.
04/20/07	Mortgage Investment Lending Associates	Washington State	4.5	Closed	Online based lending firm, founded in 1984

by 18-year old Layne Sapp and commonly known by its acronym MILA, decides to close. It was owned by Washington Consumer Loan Co. and employed 500 people.

04/20/07	Innovative Mortgage Capital	California	N/A	Closed	Another Irvine-based firm ceases operations. One of its Las Vegas based brokers set up a MySpace page under the name "Mortgage Loans" that allowed visitors to fill out an application. The page is still up and running and he has 104 friends.
04/18/07	AcuLink Mortgage Solutions LLC	Florida	N/A	Closed	This Tampa-based subsidiary of Option One, which was owned by H&R Block, closed AcuLink Mortgage Solutions, a joint vendor management company if formed with ValuAmerica in 2005.
04/17/07	Lime Financial Services	Oregon	2.1	Sold	Lime, which picked up some of Meritage's shuttered operations, was acquired for an undisclosed by Credit Suisse, which provided a \$10 million capital facility to Lime last year. Since 2003, Lime grew from funding loans in 5 states with 18 account executives to funding loans nationwide with a sales force of more than 300, posting a 418% volume increase in 2004 and a 108% increase in 2005.
04/17/07	Option One Mortgage Corp.	California	31	Sold	H&R Block, the Kanas City tax-filing company, sold its troubled Option One subprime unit to Cerberus Capital Management for \$1.3 billion, less than H&R was hoping to get. The deal excluded Option One subsidiary H&R Block Mortgage, which the company shut down.
04/17/07	Home Capital Inc.	Georgia	N/A	Closed	This online retail lender, founded by CEO Mike Berte in Atlanta in 1999 and

					with another office in Arizona, closed its doors.
04/13/07	First Source Funding Group	California	N/A	Closed	This non-prime wholesaler closed shop in April. The Cattaneo Team at Crestline Funding in Irvine, Calif., appears to have taken over their loans.
04/13/07	Homefield Financial Inc.	California	2.5	Closed Unit	The Alt-A lender, which was established in Irvine in 1998 and was making hundreds of hires as recently as a year ago, closed its wholesale unit.
04/11/07	Solutions Funding Inc.	Florida	N/A	Closed	Jacksonville firm ends operations same time as Alterna after efforts to find a buyer failed. Firms based in Illinois and Texas have similar names.
04/11/07	Alterna Mortgage	New Jersey	N/A	Closed	This niche wholesaler, which identified itself "an aggressive wholesale Alt-A lender specializing in alternative documentation programs," ceased operations in April.
04/05/07	WarehouseUSA Capital Corp.	Georgia	N/A	Stopped loans	The Atlanta warehouse lender, a division of troubled subprime lender NovaStar Financial, stopped taking new business. WarehouseUSA was founded in 2003 as NovaStar Capital, but changed its name last year when a new Web site was launched. It also warehoused mortgages for lenders who write loans for sale to NovaStar Mortgage, the primary mortgage lending unit of NovaStar.
04/05/07	LowerMyPayment.com	Connecticut	N/A	Closed	Mortgage lead generation company, which operated an online portal for consumers, said it would shut down, with operations ceasing later in April. LowerMyPayment.com was founded by Greg Kazmierczak, a 12 year veteran of the mortgage industry who now serves as a

					marketing consultant.
04/04/07	MortgageTree Lending Corp.	California	0.8	Sold	W.J. Bradley, a Denver acquisition firm that is consolidating small and medium sized mortgage brokers and banks, reached a deal to acquire Modesto-based MortgageTree, which was founded in 1986 and has about 400 employees, for an undisclosed price. Bradley has agreed to buy 10 other mortgage companies since the start of 2005 and is reportedly shopping for more.
04/03/07	Millennium Funding Group	Washington State	1	Closed	The national wholesale lender, which cut 40% of its staff in March in a bid to stay alive, abandoned recovery plan and calls it quits.
04/02/07	SouthStar Funding LLC	Georgia	5.6	Bankrupt	Self-described "aggressive" subprime lender abruptly closed its operations a result of the "unprecedented downturn and policy changes in the mortgage industry." Filed for bankruptcy protection on April 11.
04/02/07	Madison Equity Corp.	New Jersey	N/A	Closed	This subprime wholesaler, for which William "The Refrigerator" Perry was once a spokesman, stopped accepting applications as a result of market conditions. Madison eventually transferred its loan pipeline to Imperial Lending LLC of Colorado
04/01/07	Zone Funding	California	N/A	Closed	This Simi Valley shop, which said it was "a boutique lender offering a variety of Sub-Prime and Alt-A product with a focus on what the wholesale industry has largely ignored," closed its doors in early April.
04/01/07	People's Mortgage Corp.	Connecticut	N/A	Closed/Sold	Closed by parent, Webster Financial, which took a \$2.3 million charge in the first quarter. It sold some of its branch offices to 1st Mariner Mortgage, a division of

					1st Mariner Bank of Baltimore, for an undisclosed amount. PMC's 40 employees provided over \$1.5 billion in mortgages to their customers in Maryland and Connecticut since 1995.
03/30/07	First NLC Financial Services Inc.	Florida	6	Closed	Friedman Billings Ramsey closed most of its wholesale operations centers for this subprime lending unit, which FBR bought for \$88 million in 2005 from Florida private-equity firm Sun Capital Partners, in response to reduced loan volume.
03/30/07	EquiFirst Holdings	North Carolina	10	Sold	Birmingham, Ala.-based Regions Financial, which acquired EquiFirst in 1998, sold the non-conforming wholesale mortgage originator to Barclays for \$76 million, two-thirds less than originally planned. EquiFirst was the 12th largest non-prime wholesale mortgage originator in the U.S., originating its loans through over 9,000 brokers in 47 states.
03/29/07	H&R Block Mortgage	Florida	4	Closed	The tax-filing company shut down this retail lending subsidiary, which was founded in 2000 and is distinct from its also troubled Option One subprime unit that the company sold to Cerberus Capital Management for \$1.3 billion on April 17.
03/22/07	Sunset Direct Lending LLC	Oregon	1.2	Bankrupt	This subprime wholesale lender ceased accepting loan packages and filed for bankruptcy. It is also one of three firms being sued by Credit Suisse Group's DLJ Mortgage Capital for failing to honor repurchase loan requirements.
03/20/07	LoanCity	California	6.4	Closed	One of the biggest non-subprime lenders yet to close shop. It was forced to shut as credit tightened across

the industry. LoanCity, which employed 300 people and used to have dot com after its name, says its mortgage business shrank nearly 40% last year.

03/17/07	CoreStar Financial Group Inc.	Maryland	N/A	Closed	CoreStar, founded in 2002 and with nearly 200 employees, liquidated assets and voluntarily surrendered its state mortgage license. Maryland state official said no reason was given.
03/16/07	Ameriquest Mortgage Co.	California	80	Closed Unit	Parent ACC Capital Holdings started to shut down last year, but stayed in business after Citigroup provided it with new capital in return for an option to buy ACC's Argent Mortgage and the servicing arm of Ameriquest. It recently gave up naming rights to Texas Rangers baseball stadium and sold its sponsorship of a Nascar team, reportedly to Aflac. Argent is one of Indy driver Danica Patrick's sponsors.
03/16/07	LoriMac Inc.	California	N/A	Bankrupt	Most of its business was with credit unions, the biggest of which was Transit Employees FCU, with \$17.2 million in loans serviced by the company.
03/15/07	Investaid Corp.	Michigan	0.3	Stopped loans	Midwest lender based in Southfield, Mich., and operating in 10 states said market conditions were "impossible to bear," so it stopped taking new loan applications.
03/14/07	People's Choice Financial Corp.	California	4.5	Bankrupt/Sold	Combination of margin calls, repurchase requests and liquidity issues forced a bankruptcy filing, becoming the fourth firm to do so. It sold residual interests to an investor group for \$21 million and sub-servicing rights to Popular Inc. for \$25 million.
03/14/07	Master Financial Inc.	California	0.6	Closed	Hurt by margin calls,

					this Southern California firm closed its doors. Master funded subprime loans to borrowers with poor credit and Alt-A loans to those with slightly better credit.
03/09/07	Maribella Mortgage LLC	Minnesota	0.9	Closed	Loan buybacks hit this Midwestern firm, forcing it to close shop. It previously claimed to offer "mint-on-the-pillow" service. At its peak, Maribella had 125 employees, with outside operations in Chicago and Milwaukee. Co-founder Keith White also owns Marketplace Home Mortgage, a large conventional lender based in the same building.
03/09/07	FMF Capital LLC	Michigan	3.8	Closed	Canadian parent FMF, which was delisted from the TSX in April, decided to conduct an "orderly wind-down" of the unit after it began losing money. Late last year, FMF settled three securities class action lawsuits filed in Michigan, Ontario and Quebec for a total of \$28 million.
03/09/07	New Century Financial Corp.	California	56.1	Bankrupt/Sold	The poster child of subprime problems, the Irvine lender is the biggest casualty so far in the subprime meltdown. It declared bankruptcy in early April. New Century's shares were delisted from the NYSE and investigations into the company and its officers are underway. Sold servicing platform to Carrington Capital for \$188 million and loan portfolio to Ellington Management for \$58 million.
03/06/07	Central Pacific Mortgage	California	2.3	Closed	First casualty in Northern California. CEO was John Courson, who spent two years as president of the Mortgage Bankers Association.
03/06/07	Ameritrust Mortgage Co. LLC	North Carolina	0.9	Closed Unit	Shut its subprime wholesale division as WaMu cut off funding. CEO John Owens

					used his personal savings to create the firm in 1995.
03/05/07	Trojan Lending Inc.	California	N/A	Closed	This diversified lender, based in Los Angeles and taking its name from Southern Cal's mascot, ceased wholesale mortgage operations. Most of its business was in the Western U.S. and Florida.
03/02/07	Fremont Investment & Loan	California	36.2	Closed Unit/Sold	Fremont General shut down its residential mortgage unit, making it the second biggest closure. It sold \$2.9 billion of its subprime loans to Ellington Capital Management in April, and in May, Fremont agreed to sell its commercial-real-estate lending business to iStar Financial as part of a \$1.9 billion deal that also resulted in new management for the troubled lender.
03/02/07	Domestic Bank	Rhode Island	0.1	Stopped loans	The bank, which has only nine branches in the state, ceased wholesale lending activities, at least temporarily, citing "extreme market turmoil."
03/01/07	Champion Mortgage	New Jersey	N/A	Sold	Dallas-based Nationstar Mortgage, formerly Centex Home Equity, in which Fortress Investment Group has a stake, acquired the loan-origination unit of Champion from KeyCorp. Its \$2 billion loan portfolio was sold separately to HSBC. On Sep. 21, Nationstar decided to stop accepting new loan applications from brokers.
02/28/07	Senderra Funding LLC	North Carolina	N/A	Sold	Avelo Mortgage LLC bought this Charlotte-based firm and had fully merged it into its operations by May. Senderra was founded in 2005 by Brad Bradley, who previously was the founder, chairman and CEO of EquiFirst, another N.C. lender.

02/27/07	Eagle First Mortgage	Arizona	N/A	Closed	The state of Arizona pulled the license of this four-year-old Mesa firm amid a probe into fraud and illegal lending practices. Most of the fraud was allegedly coming from cash-back deals that involved obtaining a mortgage for more than a home is worth and pocketing the extra money.
02/21/07	New York Mortgage Trust	New York	3.4	Sold	This real estate investment trust sold its wholesale mortgage lending platform assets to Tribeca Lending Corp., a subsidiary of Franklin Credit Management, and certain assets of the retail mortgage banking platform to IndyMac for \$13.4 million. As a result of the transaction, co-CEO Steven Schnall, resigned, although he remains as chairman.
02/14/07	Silver State Mortgage	Nevada	0.5	Bankrupt	Closed branches nationwide as state regulators looking at books of Las Vegas lender, which may try to continue in some capacity.
02/12/07	ResMAE Mortgage Corp.	California	6.9	Bankrupt/Sold	Filed for bankruptcy, but was kept alive by Credit Suisse, who was expected to buy, but sold assets to hedge fund Citadel instead for \$22.4 million.
02/12/07	Concorde Acceptance	Texas	0.2	Closed	Dallas-based firm closed amid deteriorating business for primary and secondary loans. Concorde management bought 80% stake from America's Car-Mart for \$2.9 million in 2002.
02/08/07	Lenders Direct Capital Corp.	Illinois	1.2	Closed Unit	Lenders Direct shut its wholesale operation amid rumored loan buybacks. It supposedly funded in excess of \$200 million per month at its peak.
02/05/07	ECC Capital Corp.	California	14	Sold Unit	ECC sold its mortgage operation to Bear Stearns for \$26 million

						in cash, but said it would keep its 350 workers in California (it laid off about 600 people nationwide last year). ECC conducted its mortgage origination operations through the Encore Credit Corp. name, which Bear retained.
01/31/07	Deep Green Financial Inc.	Ohio	5		Closed	Second-lien funder closed by parent company. Founded in 2000, it had business in 47 states and was bought in 2004 by Lightyear Capital, a New York private-equity firm based that manages \$2 billion and invests in financial services businesses and other selected industries.
01/25/07	Millennium Bankshares Corp.	Virginia	N/A		Closed	The community bank in Northern Virginia decided to wind down its mortgage lending subsidiary when the going got tough.
01/25/07	Summit Mortgage	West Virginia	N/A		Sold	Summit Financial couldn't sell, so it sold the lending unit. The parent company also took losses related to Fannie Mae and Freddie Mac stock.
01/25/07	Mandalay Mortgage LLC	California	0.9		Stopped loans	Mandalay stopped accepting new loan applications a week after their initial announcement. Its Web site sends surfers to three other mortgage companies.
01/23/07	Rose Mortgage Corp.	New Jersey	N/A		Closed	Rose closed down abruptly in late January after Deutsche Bank withdrew the company's last lifeline, a \$50 million line of credit, leaving CEO Ralph Vitiello and two colleagues as the only ones left at the seven-year-old subprime mortgage banking firm, which employed 60 people earlier in the month. Its Web site at roseloans.com now contains only jibberish.
01/22/07	EquiBanc Mortgage Corp.	North Carolina	N/A		Closed	Wachovia shut its only unit for non-conforming loans.

Equibanc was founded in 1996, acquired by SouthTrust in 2001, which was in turn bought out by Wachovia in 2004. The bank also paid \$24 billion last year for mortgage specialist Golden West Financial.

01/17/07	Funding America LLC	Texas	N/A	Stopped loans	The two-year old Houston-based subprime loan origination operation of Florida's Ocwen Financial stopped accepting new business earlier this year. The founder claims subprime loans will return when market corrects itself.
01/12/07	Bay Capital Corp.	Maryland	0.8	Closed	Parent Clear Choice Financial of Nevada closed this unit for not meeting obligations. Another main office was in California.
01/09/07	Popular Financial Services	New Jersey	N/A	Closed	Accounting problems and mortgage losses led Puerto Rico-based Banco Popular, also the parent of E-Loan, to close this wholesale subprime unit.
01/08/07	Secured Funding Corp.	California	1.3	Closed	Hurt by loan buybacks, the firm closed its doors. It was doing \$150 million of home equity extractions per month and had over 1,000 employees.
01/03/07	MortgageIT Holdings Inc.	New York	30	Sold	Founded in 1988, MortgageIT was acquired for \$430 million by Deutsche Bank, which maintains its 50 branch offices, employing 2,100 people. A \$70 million lawsuit accuses it of failing to repurchase 587 subprime loans. The German bank also bought Chapel Funding LLC, a subprime wholesale mortgage originator, in May 2006.
01/03/07	Preferred Advantage	Pennsylvania	N/A	Closed	This Pittsburgh lender was closed by Cleveland-based parent National City after Merrill Lynch didn't include it as part of its \$1.3 billion deal

					for National City's First Franklin, which has had its own problems. Less than 50 employees of Preferred Advantage were laid off.
01/02/07	First Franklin (NationPoint)	California	29	Sold	National City completed the sale of First Franklin, its subprime mortgage business, to Merrill Lynch for \$1.3 billion. The deal, which was announced in September, includes Merrill's purchase of affiliated businesses National City Home Loan Services and NationPoint.
01/02/07	Mortgage Lenders Network USA Inc.	Connecticut	4.9	Bankrupt	Buyback and liquidity woes led this mortgage lender to bankruptcy. It is one the top five biggest to close, originating \$3.3 billion in loans in the third quarter of 2006. It was later sold to Wells Fargo.
12/27/06	Alliance Home Funding LLC	Virginia	0.2	Closed/Merged	This unit, started in 2001, ceased operations and standalone operation merged with parent, Alliance Bankshares, which will take a charge of up to \$675,000.
12/20/06	Harbourton Mortgage Investment Corp.	California	0.8	Closed	This company is wholly owned by Harbourton Capital Group of McLean, Va., which says it is likely to write off its full investment in the unit.
12/07/06	Ownit Mortgage Solutions	California	8.3	Bankrupt	When Ownit defaulted on its credit line in mid-November, J.P. Morgan gave the company a month to come up with additional capital, and Merrill Lynch demanded that it buy back poorly performing loans. Ownit declared bankruptcy within weeks. Former CEO William Dallas had ties to First Franklin and LoanCity.
12/01/06	Sebring Capital Partners LP	Texas	1.2	Closed	Amid rising defaults, a major investor cut off funding, forcing Sebring, which was

founded in 1996, to seek a buyer. It closed after potential acquisition fell through.

12/01/06	First Financial Equities	New Jersey	1	Stopped loans	This company, founded by David Sadek in 1991, stopped making loans and let about 100 people go at the end of last year.
11/21/06	Axis Mortgage & Investments	Arizona	1	Closed	Alt-A wholesale lending unit of Biltmore Bank of Arizona, which said it had some buybacks, but was a small percentage of overall volume.
11/08/06	Meritage Mortgage Corp.	Oregon	2.6	Sold	Liquidated by Atlanta-based parent NetBank, Meritage was sold to Lime Financial, which acquired its Oregon staff. The ther big office was in Jacksonville, Fla. Lime was later acquired by Credit Suisse.

Note: *All of NetBank

Sources: SNL Financial, National Mortgage News, MortgageDaily.com, Mortgage Lender Implode-O-Meter, WSJ.com research

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